



Kane Financial

151 West Main Street
Waterville, NY 13480

Form ADV Part 2A - Firm Brochure

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Dated July 1, 2019

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www.kanefp.com

This Brochure provides information about the qualifications and business practices of Kane Financial, “KF”. If you have any questions about the contents of this Brochure, please contact us at (315) 801-9028. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Kane Financial is registered as an Investment Adviser with the State of NY. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about KF is available on the SEC's website at www.adviserinfo.sec.gov which can be found using the firm's identification number 291231.

Item 2: Material Changes

The following changes have been made to this version of the Disclosure Brochure:

- Item 1: The Advisor has changed the company office address.
- Item 5: The Advisor added a flat fee service offering for employee benefit plans.

Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of KF.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov> by searching for our firm name or by our CRD number 291231.

You may also request a copy of this Disclosure Brochure at any time, by contacting us at (315) 801-9028.

Item 3: Table of Contents

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Item 4: Advisory Business

Description of Advisory Firm

Kane Financial is registered as an Investment Adviser with the State of NY. We were founded in November 2017. Clinton Kane is the principal owner of KF. As of July 1st, 2019, KF reports \$7,208,965 in discretionary assets under management and \$808,414 in non-discretionary assets.

Types of Advisory Services

Investment Management Services (KF manages accounts)

We are in the business of managing individually tailored investment portfolios. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation targets. We may also review and discuss a client's prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Fees pertaining to this service are outlined in Item 5 of this brochure.

Financial Planning

We provide financial planning services on topics such as retirement planning, risk management, college savings, cash flow, debt management, work benefits, and estate and incapacity planning.

Financial planning is an evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they affect and are affected by the entire financial and life situation of the client. Clients purchasing this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

In general, the financial plan will address any or all of the following areas of concern. The client and advisor will work together to select the specific areas to cover. These areas may include, but are not limited to, the following:

- **Business Planning:** We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.
- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also

recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.

- **College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

- **Financial Goals:** We will help clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

Comprehensive Financial Planning

This service involves working one-on-one with a planner over an extended period of time. By paying a monthly retainer, clients get continuous access to a planner who will work with them to design their plan. The planner will monitor the plan, recommend any changes and ensure the plan is up to date.

Upon desiring a comprehensive plan, a client will be taken through establishing their goals and values around money. They will be required to provide information to help complete the following areas of analysis: net worth, cash flow, insurance, credit scores/reports, employee benefit, retirement planning, insurance, investments, college planning and estate planning. Once the client’s information is reviewed, their plan will be built and analyzed, and then the findings, analysis and potential changes to their current situation will be reviewed with the client. Clients subscribing to this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. If a follow up meeting is required, we will meet at the client's convenience. The plan and the client’s financial situation and goals will be monitored throughout the year and follow-up phone calls and emails will be made to the client to confirm that any agreed upon action steps have been carried out. On an annual basis there will be a full review of this plan to ensure its accuracy and ongoing appropriateness. Any needed updates will be implemented at that time.

Employee Benefit Plan Services

Our firm provides employee benefit plan services to employer plan sponsors on an ongoing basis. Generally, such services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan structure and participant education.

In providing employee benefit plan services, our firm does not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, “Excluded Assets”).

All retirement plan consulting services shall be in compliance with the applicable state laws regulating retirement consulting services. This applies to client accounts that are retirement or other employee benefit plans (“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If the client accounts are part of a Plan, and our firm accepts appointments to provide services to such accounts, our firm acknowledges its fiduciary standard within the meaning of Section 3(21) or 3(38) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

After consultation with the plan trustee or administrator, KF recommends a plan custodian based on such factors as the needs and size of the plan, fees associated with use of the Custodian and types of investments available.

Client Tailored Services and Client Imposed Restrictions

We offer the same suite of services to all of our clients. However, specific client investment recommendations and financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client’s current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Wrap Fee Programs

We do not participate in wrap fee programs.

Item 5: Fees and Compensation

Please note, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

Investment Management Services (KF Manages)

Our standard advisory fee is based on the market value of the assets under management and is calculated as follows:

| Account Value | Annual Advisory Fee |
|-------------------------|---------------------|
| \$0 - \$500,000 | 1.00% |
| \$500,000 - \$1,000,000 | 0.75% |
| \$1,000,000 and Above | 0.50% |

The annual fees are negotiable and are pro-rated and paid in arrears on a quarterly basis based on the accounts average daily balance as reported by the custodian. The advisory fee is a blended fee and is calculated by assessing the percentage rates using the predefined levels of assets as shown in the above chart, resulting in a combined weighted fee. For example, an account valued at \$2,000,000 would pay an effective fee of 0.6875% with the annual fee of \$13,750. The quarterly fee is determined by the following calculation: $(\$500,000 \times 1.00\%) + (\$500,000 \times 0.75\%) + (\$1,000,000 \times 0.50\%) \div 4 = \$3,437.50$. No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement.

Advisory fees are directly debited from client accounts, or the client may choose to pay by check. Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 7 calendar days in advance. Since fees are paid in arrears, no rebate will be needed upon termination of the account.

Financial Planning Fixed Fee - Project Based

Financial Planning will generally be offered on a fixed fee basis. The fixed fee will be agreed upon before the start of any work. The fixed fee can range between \$250 and \$5,000. The fee is negotiable based on complexity of the engagement. If a fixed fee program is chosen, half of the fee is due at the beginning of process and the remainder is due at completion of work, however, KF will not bill an amount above \$500.00 more than 6 months in advance. Fees for this service may be paid by electronic funds transfer or check. Upon termination, the half of the fee that is due up front will be non-refundable, and no further fees will be charged.

Financial Planning Hourly Fee

Financial Planning fee is an hourly rate between \$50.00 and \$150.00 per hour, depending on complexity. The fee may be negotiable in certain cases and is due at the completion of the engagement. In the event of early termination by client, any fees for the hours already worked will be due. Fees for this service may be paid by electronic funds transfer or check. At the commencement of the engagement, an estimate of the number of hours needed to complete the work will be notated on the Financial Planning Agreement.

Comprehensive Financial Planning

Comprehensive Financial Planning consists of an upfront charge of \$500 and an ongoing fee that is paid monthly, in advance, at the rate of \$100 per month. The fee may be negotiable in certain cases. Fees for this service may be paid by electronic funds transfer or check. This service may be terminated with 7 days' notice. Upon termination of any account, the fee will be prorated and any unearned fee will be refunded to the client.

The upfront portion of the Comprehensive Financial Planning fee is for client on boarding, data gathering, and setting the basis for the financial plan. This work will commence immediately after the fee is paid, and will be completed within the first 30 days of the date the fee is paid. Therefore, the upfront portion of the fee will not be paid more than 6 months in advance.

Employee Benefit Plan Services

| Account Value (Plan Assets) | KF's Fee |
|-----------------------------|------------|
| \$0 - \$3,000,000 | 0.50% |
| \$3,000,001 - \$5,000,000 | 0.40% |
| \$5,000,001 - \$10,000,000 | 0.30% |
| \$10,000,000 and Above | Negotiable |

The advisory fee is a blended fee. Fees for this service are deducted directly from the plan assets by the Custodian, and KF's fee is remitted to KF. Fees are debited from the plan assets on a quarterly basis, in arrears. The employer may be responsible for paying fees leveraged by the Custodian. Prior to the commencement of the engagement, KF researches and reviews the fees to be leveraged by the Custodian as a part of services offered and discusses those fees with the plan administrator. This service may be terminated with 7 days' notice.

KF may charge a flat fee per quarter instead of percentage of assets, based on the number of plan participants, investment management services, travel, meeting frequency, and other services.

Other Types of Fees and Expenses

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

Item 6: Performance-Based Fees and Side-By-Side Management

We do not offer performance-based fees.

Item 7: Types of Clients

We provide financial planning and portfolio management services to individuals, high net-worth individuals, pension and profit sharing plans, and small businesses.

We do not have a minimum account size requirement.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Our primary methods of investment analysis are fundamental and passive investment management.

Fundamental analysis involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Passive Investment Management

We primarily practice passive investment management. Passive investing involves building portfolios that are comprised of various distinct asset classes. The asset classes are weighted in a manner to achieve a desired relationship between correlation, risk and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds that are used to build passive portfolios are typically index mutual funds or exchange traded funds.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark. Academic research indicates most active managers underperform the market.

Material Risks Involved

All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear. Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

Market Risk: Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

Strategy Risk: The Adviser's investment strategies and/or investment techniques may not work as intended.

Small and Medium Cap Company Risk: Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

Turnover Risk: At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

Limited markets: Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions we may be unable to sell or liquidate investments at prices we consider reasonable or favorable, or find buyers at any price.

Concentration Risk: Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

Interest Rate Risk: Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

Legal or Legislative Risk: Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

Inflation: Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

Common stocks may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

Corporate Bonds are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

Municipal Bonds are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

Exchange Traded Funds prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which client's invest.

Investment Companies Risk. When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

Item 9: Disciplinary Information

Criminal or Civil Actions

KF and its management have not been involved in any criminal or civil action.

Administrative Enforcement Proceedings

KF and its management have not been involved in administrative enforcement proceedings.

Self-Regulatory Organization Enforcement Proceedings

KF and its management have not been involved in legal or disciplinary events that are material to a client's or prospective client's evaluation of KF or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

No KF employee is registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

No KF employee is registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

KF does not have any related parties. As a result, we do not have a relationship with any related parties.

KF only receives compensation directly from clients. We do not receive compensation from any outside source. We do not have any conflicts of interest with any outside party.

No KF employee is licensed to sell life and health insurance, and No KF employee engages in product sales with our clients, for which they will receive additional compensation.

Recommendations or Selections of Other Investment Advisers

KF does not recommend clients to Outside Managers to manage their accounts.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each client. Our clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also adheres to the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc., and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

Although KF adheres to the CFP® Board of Standards Inc., Clinton Kane does not hold the CFP® designation.

Code of Ethics Description

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients. A summary of the Code of Ethics' Principles is outlined below.

- **Integrity** - Associated persons shall offer and provide professional services with integrity.
- **Objectivity** - Associated persons shall be objective in providing professional services to clients.
- **Competence** - Associated persons shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- **Fairness** - Associated persons shall perform professional services in a manner that is fair and reasonable to clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- **Confidentiality** - Associated persons shall not disclose confidential client information without the specific consent of the client unless in response to proper legal process, or as required by law.
- **Professionalism** - Associated persons' conduct in all matter shall reflect credit of the profession.
- **Diligence** - Associated persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide of copy of its Code of Ethics to any client or prospective client upon request.

Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither our firm, its associates or any related person is authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Our firm and its "related persons" may buy or sell securities similar to, or different from, those we recommend to clients for their accounts. In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates' transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by the firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

Trading Securities At/Around the Same Time as Client's Securities

From time to time, our firm or its "related persons" may buy or sell securities for themselves at or around the same time as clients. We will not trade non-mutual fund securities 5 days prior to the same security for clients.

Item 12: Brokerage Practices

Factors Used to Select Custodians and/or Broker-Dealers

Kane Financial does not have any affiliation with Broker-Dealers. Specific custodian recommendations are made to client based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

1. Research and Other Soft-Dollar Benefits

We currently do not receive soft dollar benefits.

2. Brokerage for Client Referrals

We receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

We do recommend a specific custodian for clients to use, however, clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing clients to choose a specific custodian, we may be unable to achieve most favorable execution of client transaction and this may cost clients money over using a lower-cost custodian.

The Custodian and Brokers We Use (TD Ameritrade)

The Advisor also participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member and may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between KF's participation in the program and the investment advice it gives to its clients, although KF receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving KF participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to KF by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by KF's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit KF but may not benefit its client accounts. These products or services may assist KF in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help KF manage and further develop its business enterprise. The benefits received by KF or its personnel through participation in the program do not depend on the amount of brokerage

transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, KF endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by KF or its related persons in and of itself creates a potential conflict of interest and may indirectly influence KF's choice of TD Ameritrade for custody and brokerage services.

Aggregating (Block) Trading for Multiple Client Accounts

Generally, we combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participant accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion, regarding particular circumstances and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however they will not be given preferential treatment.

Item 13: Review of Accounts

Client accounts with the Investment Management Service will be reviewed regularly on a no less than quarterly basis by Clinton Kane, Principal and CCO. The account is reviewed with regards to the client's investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, addition or deletions of client imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

KF will not provide written reports to Investment Management clients.

Item 14: Client Referrals and Other Compensation

We do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our clients. Nor do we, directly or indirectly, compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

KF does not accept custody of client funds except in the instance of withdrawing client fees.

For client accounts in which KF directly debits their advisory fee:

- i. KF will send a copy of its invoice to the custodian at the same time that it sends the client a copy.
- ii. The custodian will send at least quarterly statements to the client showing all disbursements for the account, including the amount of the advisory fee.
- iii. The client will provide written authorization to KF, permitting them to be paid directly for their accounts held by the custodian.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16: Investment Discretion

For those client accounts where we provide investment management services, we maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the client will execute a Limited Power of Attorney, which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the client.

Item 17: Voting Client Securities

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

Item 18: Financial Information

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding.

We do not have custody of client funds or securities or require or solicit prepayment of more than \$500 in fees per client six months in advance.

Item 19: Requirements for State-Registered Advisers

Clinton Kane

Born: 1980

Educational Background

- 2007 - Business Administration, SUNY IT/POLY

Business Experience

- 11/2017 - Present, Kane Financial, Principal and CCO
- 04/2012 - 11/2017, Cadaret, Grant & Co., Financial Adviser
- 03/2012 - 11/2017, Strategic Financial, Investment Adviser Representative
- 05/2009 - 02/2012, Commonwealth Financial Network, Financial Adviser
- 08/2007 - 05/2009, Axa Advisors, Associate

Professional Designations, Licensing & Exams

Series 7 Exam (This is not a Professional License or Designation)

Series 66 Exam (This is not a Professional License or Designation)

Other Business Activities

Clinton Kane is currently employed as a basketball coach at the Waterville Central School. This activity accounts for approximately 10% of their time.

Performance Based Fees

KF is not compensated by performance-based fees.

Material Disciplinary Disclosures

No management person at Kane Financial has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

Material Relationships That Management Persons Have With Issuers of Securities

Kane Financial, nor Clinton Kane, have any relationship or arrangement with issuers of securities.

Additional Compensation

Clinton Kane does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through KF.

Supervision

Clinton Kane, as Principal and Chief Compliance Officer of KF, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.

Requirements for State Registered Advisers

Clinton Kane has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.

Kane Financial

151 West Main Street
Waterville, NY 13480
(315) 801-9028

Dated July 1, 2019

Form ADV Part 2B - Brochure Supplement

For

Clinton Kane Individual CRD# 5352683

Principal, and Chief Compliance Officer

This brochure supplement provides information about Clinton Kane that supplements the Kane Financial ("KF") brochure. A copy of that brochure precedes this supplement. Please contact Clinton Kane if the KF brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Clinton Kane is available on the SEC's website at www.adviserinfo.sec.gov which can be found using the identification number 5352683.

Item 2: Educational Background and Business Experience

Clinton Kane

Born: 1980

Educational Background

- 2007 - Business Administration, SUNY IT/POLY

Business Experience

- 11/2017 - Present, Kane Financial, Principal and CCO
- 04/2012 - 11/2017, Cadaret, Grant & Co., Financial Adviser
- 03/2012 - 11/2017, Strategic Financial, Investment Adviser Representative
- 05/2009 - 02/2012, Commonwealth Financial Network, Financial Adviser
- 08/2007 - 05/2009, Axa Advisors, Associate

Professional Designations, Licensing & Exams

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Series 66 Exam (This is not a Professional License or Designation)

Item 3: Disciplinary Information

No management person at Kane Financial has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

Item 4: Other Business Activities

Clinton Kane is currently employed as a basketball coach at the Waterville Central School. This activity accounts for approximately 10% of their time.

Item 5: Additional Compensation

Clinton Kane does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through KF.

Item 6: Supervision

Clinton Kane, as Principal and Chief Compliance Officer of KF, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.

Item 7: Requirements for State Registered Advisers

Clinton Kane has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.